

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO: _____
v.	:	DATE FILED: _____
LINDA MORGANDALE	:	VIOLATION:
	:	18 U.S.C. § 371 (conspiracy to
	:	defraud – 1 count)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury, responsible for administering and enforcing the tax laws of the United States.

2. The tax laws of the United States required every citizen and resident of the United States who received gross income in excess of the minimum filing amount established by law for a particular tax year to annually make a federal individual income tax return for that tax year, and to file such a tax return with the IRS.

3. The amount of federal tax owed by a tax payer was offset by any

legitimate deductions.

4. If an error was made on a tax return filed in a previous year, an amended tax return could be submitted to the IRS.

5. Upon receipt of a filed tax return showing that a refund was due to a particular taxpayer, the IRS issued a refund check to the taxpayer payable by the United States Treasury.

6. For the past 20 years, defendant LINDA MORGANDALE owned and operated a tax preparation under the business name of "The Tax Lady" out of her residence in Birdsboro, Pennsylvania.

7. In or about January 2014, J.D., whose identity is known to the United States Attorney, joined defendant LINDA MORGANDALE'S tax preparation business as a tax preparer.

8. Defendant LINDA MORGANDALE conspired with J.D. to operate an illegal enterprise that assisted in the filing of federal income tax returns with the IRS which falsely claimed deductions amounting to at least approximately \$121,282 and resulted in an aggregate loss to the government of approximately at least \$119,986.09.

9. From in or about 2014 to in or about April 2015, in Birdsboro, in the Eastern District of Pennsylvania and elsewhere, defendant

LINDA MORGANDALE

conspired and agreed, together and with J.D. to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment and collection of

income taxes.

MANNER AND MEANS

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

10. Defendant LINDA MORGANDALE, herself, along with co-conspirator J.D., added falsified deductions to 27 current year tax returns for tax years 2012, 2013, and 2014 on behalf of clients.

11. Defendant LINDA MORGANDALE, herself, along with J.D., added fraudulent deductions to 31 amended tax returns for tax years 2011, 2012, and 2013, on behalf of clients.

12. The fraudulent tax returns and amended tax returns falsely listed deductions for expenses including costs of education, legal fees, employee business expenses, and/or gifts to charity.

13. Defendant LINDA MORGANDALE, herself, along with J.D., filed or advised their clients to file the fraudulent tax returns and amended tax returns, causing the IRS to issue refund checks to the clients for a total loss of at least approximately \$119,986.

OVERT ACTS

In furtherance of the conspiracy, defendant LINDA MORGANDALE and J.D. committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about January 2014, defendant LINDA MORGANDALE hired J.D. to assist in MORGANDALE'S tax preparation business.

2. Defendant LINDA MORGANDALE trained co-conspirator J.D. on how to defraud the federal government by adding fictitious deductions that caused a refund to be issued.

3. Based on defendant LINDA MORGANDALE'S training, co-conspirator J.D. generated fraudulent tax returns on behalf of MORGANDALE'S tax preparation business.

4. Defendant LINDA MORGANDALE and co-conspirator J.D. listed illegitimate educational costs, unreimbursed work place expenses, and inaccurate charitable donations in fraudulent tax returns.

5. Defendant LINDA MORGANDALE and co-conspirator J.D. charged a fee to each client whose tax return was completed.

6. Defendant LINDA MORGANDALE and co-conspirator J.D. electronically filed returns as having been "self-prepared" by the client or provided an addressed envelope for the clients to mail in the "self-prepared" return.

7. Defendant LINDA MORGANDALE and co-conspirator J.D. intentionally listed the fraudulent returns as having been prepared by the client, as opposed to a tax preparer, in order to prevent the IRS from identifying them.

8. – 34. From in or about 2011 through May 2015, defendant LINDA MORGANDALE and co-conspirator J.D. prepared the following 27 fraudulent United States income tax returns for tax years 2011 through 2014, and the preparation of each falsified tax return constitutes a separate overt act:

False Forms 1040, U.S. Individual Income Tax Returns Prepared				
Overt Act	Taxpayer	Tax Year	Date IRS Received	Loss Amount
8	T.A.	2013	04/07/2014	792.00

False Forms 1040, U.S. Individual Income Tax Returns Prepared				
Overt Act	Taxpayer	Tax Year	Date IRS Received	Loss Amount
9	D.T. AND B.T.	2013	04/15/2014	2,722.00
10	N.L.	2013	04/21/2014	471.78
11	R.B.	2013	04/28/2014	2,012.00
12	R.B.	2013	04/28/2014	2,553.00
13	C.G. AND R.G.	2013	05/27/2014	1,571.00
14	M.C.	2013	06/11/2014	1,980.00
15	G.K.	2012	11/03/2014	768.00
16	G.K.	2013	11/05/2014	600.00
17	C.N.	2014	03/02/2015	1,920.00
18	K.K. AND M.K.	2014	03/09/2015	1,800.00
19	L.C.	2014	03/09/2015	967.00
20	D.W.	2014	03/16/2015	1,013.00
21	T.A.	2014	03/30/2015	1,803.00
22	L.S.R.	2014	04/06/2015	618.00
23	M.C.	2014	04/06/2015	1,080.00
24	R.B.	2014	04/06/2015	2,005.00
25	A.D.	2014	04/15/2015	3,595.00
26	A.K.	2014	04/15/2015	1,674.00
27	D.T. AND B.T.	2014	04/15/2015	2,272.00
28	E.D.	2014	04/15/2015	2,200.00
29	M.F.	2014	04/20/2015	2,162.00
30	G.K.	2014	05/04/2015	270.00
31	R.B.	2014	05/04/2015	925.00
32	N.L.	2014	05/11/2015	1,233.00

False Forms 1040, U.S. Individual Income Tax Returns Prepared				
Overt Act	Taxpayer	Tax Year	Date IRS Received	Loss Amount
33	I.A. AND K.A.	2014	06/08/2015	6,987.00
34	A.L. AND M.L.	2014	08/03/2015	4,162.00

35. – 65. From in or about 2014 through May 2015, defendant LINDA MORGANDALE and co-conspirator J.D. prepared the following 31 amended tax returns for tax years 2011 through 2013, and the preparation of each falsified amended tax return constitutes a separate overt act:

False Forms 1040X, Amended U.S. Individual Income Tax Returns Prepared				
Overt Act	Taxpayer	Tax Year	Date IRS Received	Loss Amount
35	A.D.	2011	06/30/2014	2,753.36
36	A.D.	2012	06/30/2014	2,685.57
37	N.L.	2011	07/14/2014	3,045.54
38	N.L.	2012	07/14/2014	2,175.86
39	R.B.	2011	07/14/2014	1,743.50
40	D.T. AND B.T.	2012	07/21/2014	3,035.71
41	A.T.	2011	07/28/2014	1,656.30
42	D.T.	2011	09/01/2014	2,315.22
43	R.B.	2012	09/22/2014	1,598.46
44	G.K.	2011	11/05/2014	1,716.77
45	C.A.M.	2011	12/2014	3,123.00
46	H.D.	2011	12/2014	2,465.00
47	L.C.	2011	12/22/2014	1,470.11
48	L.C.	2012	12/22/2014	1,271.59
49	L.C.	2013	12/22/2014	2,173.26

False Forms 1040X, Amended U.S. Individual Income Tax Returns Prepared				
Overt Act	Taxpayer	Tax Year	Date IRS Received	Loss Amount
50	C.N.	2011	12/29/2014	3,601.50
51	D.A.	2011	02/16/2015	3,880.69
52	C.N.	2013	02/23/2015	3,220.61
53	D.W.	2012	02/23/2015	1,777.99
54	W.D. AND A.D.	2013	03/16/2015	1,577.54
55	A.L. AND M.L.	2013	03/23/2015	1,888.54
56	K.K. AND M.K.	2012	03/23/2015	1,797.92
57	W.D. AND A.D.	2012	03/23/2015	1,914.06
58	I.A. AND K.A.	2013	05/04/2015	1,990.42
59	C.N.	2012	05/18/2015	2,477.72
60	I.A. AND K.A.	2012	05/18/2015	2,210.92
61	I.A. AND K.A.	2011	05/25/2015	2,591.59
62	N.P.	2011	06/29/2015	2,323.75
63	N.P.	2012	06/29/2015	2,152.52
64	A.L. AND M.L.	2012	10/26/2015	2,396.57
65	K.K. AND M.K.	2011	11/17/2015	2,095.06

All in violation of Title 18, United States Code, Section 371.



WILLIAM M. McSWAIN
UNITED STATES ATTORNEY